

2876.4020 AGENTS REPRESENTING ISSUERS AS FINDERS.

Subpart 1. **Definitions.** An individual's "immediate family" means any child, stepchild, parent, stepparent, spouse, sibling, mother-in-law, father-in-law, son-in-law, daughter-in-law, brother-in-law, and sister-in-law of the individual and any other person, other than a tenant or employee, sharing the household of the individual.

Subp. 2. **Limitations of activities.** An individual exempt from registration as an agent under Minnesota Statutes, section 80A.57 (b)(11), may perform only the following acts:

A. introduce prospective investors to issuers and issuers to prospective investors for compensation, if any, from the issuer only;

B. furnish to an issuer services that do not involve dealings with prospective investors if compensation for the services is not contingent, by agreement or in fact, upon investment by prospective investors; and

C. engage in communications and dealings with prospective investors that are unrelated to the investors' possible investment in the issuer.

An individual relying upon this exemption is not required to conduct any independent investigation or review of the issuer's offering materials.

Subp. 3. **Disclosure to investors.** An individual exempt from registration as an agent under Minnesota Statutes, section 80A.57 (b)(11), must disclose, or ensure that the issuer discloses, clearly and conspicuously in writing, to each investor prior to the time the investor enters into a binding agreement to purchase the issuer's securities to be sold in connection with the individual's services as an agent the following information:

A. the individual is acting as an agent for the issuer;

B. the amount of or method of calculation for any proposed payment by the issuer to the agent for the individual's services as an agent or in any other capacity for the issuer; and

C. any beneficial interest, direct or indirect, held by or to be acquired as part of the proposed payment to the individual acting as an agent, or held by or to be acquired as part of the proposed payment to a member of the individual's immediate family, in the issuer's securities.

Subp. 4. **Unlawful activities.** It is unlawful for an individual exempt from registration as an agent under Minnesota Statutes, section 80A.57 (b)(11), to act as an

agent in connection with an offer or sale of a security that violates Minnesota Statutes, section 80A.49, unless the individual:

A. made a reasonable effort to ascertain before performing the acts described in subpart 2, items A and B, whether the offer or sale was exempted from registration under Minnesota Statutes, section 80A.46 (11) or (14); and

B. reasonably believed that the offer or sale was so exempted.

Subp. 5. **Notice.**

[NOTICE REQUIRED BY MINNESOTA STATUTES, SECTION 80A.57 (b)(11)(D)]

STATE OF MINNESOTA

DEPARTMENT OF COMMERCE

85 SEVENTH PLACE EAST, SUITE 500

ST. PAUL, MINNESOTA 55101-2198

In accordance with the requirements of Minnesota Statutes, section 80A.57 (b)(11)(D), the undersigned, intending to represent one or more issuers with respect to an offer or sale of the issuer's securities in offerings that are exempted by Minnesota Statutes, section 80A.46 (11) or 80A.46 (14) provides the following information to the Minnesota Department of Commerce:

Full Legal Name of Individual

Current Principal Business Address

Current Principal Business Telephone Number

Current Principal Business Email Address

Any Other Name(s) Used by Undersigned in Prior Five Years

____ Yes ____ No The undersigned is, or within the prior five years has been, licensed by or registered with a state or federal government, government agency, or a self-regulatory organization, commodities exchange, or securities exchange as a broker-dealer, registered representative, investment adviser, or investment adviser representative. If yes, please provide IARD/CRD number(s):

The undersigned undertakes to notify the Commissioner of Commerce in writing of any change in the foregoing information within five business days of the change.

Signature of Individual

Date

Statutory Authority: *MS s 45.023; 80A.82*

History: *34 SR 593*

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